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FISCAL IMPACT STATEMENT

LS 7121

BILL NUMBER: HB 1543

NOTE PREPARED: Jan 19, 2015

BILL AMENDED:

SUBJECT: Indiana Toll Road Food and Beverage Tax.

FIRST AUTHOR: Rep. Dermody

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes Elkhart, LaGrange, LaPorte, Porter, and Steuben counties to adopt a Food and Beverage Tax that is imposed only within a travel plaza located next to the Indiana Toll Road. The bill provides that the tax rate equals 1%. It specifies that the receipts from the Food and Beverage Tax shall be distributed to the Northern Indiana Tourism Development Commission. It also specifies the uses to which receipts from the Food and Beverage Tax may be applied.

Effective Date: July 1, 2015.

Explanation of State Expenditures: The Food and Beverage Taxes adopted under this bill would be paid and collected in the same manner as the state Sales Tax. The bill is not expected to have a significant impact on administrative costs of a state agency.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary* - If all counties that have a travel plaza on the Indiana Toll Road adopt the tax, the Northern Indiana Tourism Development Commission could receive an estimated \$160,000 to \$180,000 in annual revenue. Food and Beverage Tax receipts under this bill would ultimately depend on which counties adopt the tax as well as food and beverage sales at toll road plazas in those counties.

Additional Information - There are 10 travel plazas with several fast food restaurants on the Indiana Toll

Road. The travel plazas are located in Portage, Rolling Prairie, Elkhart, Howe, and Fremont. The estimates above are based on sales for fast food restaurants in Indiana reported in the Economic Census as well as average employment and total wage data for restaurants in the travel plazas. The lower limit estimate is based on a factor estimating the average sales per employee, and the upper limit estimate is based on a factor estimating the relationship between annual sales of fast food restaurants and wages paid to employees.

All revenue would be transferred to the Northern Indiana Tourism Development Commission for the following uses:

1. To establish or maintain programs operated primarily within a travel plaza that promote local tourism and are intended to increase spending in the counties by travelers of the Indiana Toll Road.
2. Visitor information services for a program described above.
3. Management personnel staffing of a program described above.
4. Media services to promote the commission's product development initiatives concerning a program described above.

State Agencies Affected: Department of State Revenue, Treasurer of State, Auditor of State.

Local Agencies Affected: Northern Indiana Tourism Development Commission, county auditors, Elkhart County, LaGrange County, LaPorte County, Porter County, Steuben County.

Information Sources: Indiana Toll Road website, <http://www.ezpassin.com/travel-plazas-rest-stops/>. OFMA ES-202 data. U.S. Census Bureau, 2007 Economic Census.

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